

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 226 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 6-1.1-3-23, AS ADDED BY P.L.120-2003,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 23. (a) For purposes of this section:
6 (1) "adjusted cost" refers to the adjusted cost established in 50
7 IAC 4.2-4-4 (as in effect on January 1, 2003);
8 (2) "depreciable personalproperty" has the meaning set forth in 50
9 IAC 4.2-4-1 (as in effect on January 1, 2003);
10 (3) "**displaces**":
11 **(A) does not include a decrease in jobs in Indiana that is**
12 **not part of a plan to permanently transfer jobs from**
13 **Indiana to another country; and**
14 **(B) does not occur if a taxpayer employs in Indiana,**
15 **during a calendar year, the same or a greater number of**
16 **employees than during the immediately preceding**
17 **calendar year;**
18 (4) "integrated steel mill" means a person that produces steel by
19 processing iron ore and other raw materials in a blast furnace;
20 (4) (5) "oil refinery/petrochemical company" means a person that

1 produces a variety of petroleum products by processing an annual
2 average of at least one hundred thousand (100,000) barrels of
3 crude oil per day;

4 ~~(5)~~ (6) "permanently retired depreciable personal property" has the
5 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
6 2003);

7 ~~(6)~~ (7) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as
8 in effect on January 1, 2003);

9 ~~(7)~~ (8) "special integrated steel mill or oil refinery/petrochemical
10 equipment" means depreciable personal property, other than
11 special tools and permanently retired depreciable personal
12 property:

13 (A) that:

14 (i) is owned, leased, or used by an integrated steel mill or an
15 entity that is at least fifty percent (50%) owned by an
16 affiliate of an integrated steel mill; and

17 (ii) falls within Asset Class 33.4 as set forth in IRS Rev.
18 Proc. 87-56, 1987-2, C.B. 647; or

19 (B) that:

20 (i) is owned, leased, or used as an integrated part of an oil
21 refinery/petrochemical company or its affiliate; and

22 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
23 Rev. Proc. 87-56, 1987-2, C.B. 647;

24 ~~(8)~~ (9) "special tools" has the meaning set forth in 50 IAC 4.2-6-2
25 (as in effect on January 1, 2003); and

26 ~~(9)~~ (10) "year of acquisition" refers to the year of acquisition
27 determined under 50 IAC 4.2-4-6 (as in effect on January 1,
28 2003).

29 (b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
30 IAC 4.2-4-7, **and except as provided in subsection (h)**, a taxpayer
31 may elect to calculate the true tax value of the taxpayer's special
32 integrated steel mill or oil refinery/petrochemical equipment by
33 multiplying the adjusted cost of that equipment by the percentage set
34 forth in the following table:

35 Year of Acquisition	Percentage
36 1	40%
37 2	56%
38 3	42%
39 4	32%
40 5	24%
41 6	18%
42 7	15%
43 8 and older	10%

44 (c) The department of local government finance shall designate the
45 table under subsection (b) as "Pool No. 5" on the business personal

1 property tax return.

2 (d) The percentage factors in the table under subsection (b)
3 automatically reflect all adjustments for depreciation and obsolescence,
4 including abnormal obsolescence, for special integrated steel mill or oil
5 refinery/petrochemical equipment. The equipment is entitled to all
6 exemptions, credits, and deductions for which it qualifies.

7 (e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not
8 apply to special integrated steel mill or oil refinery/petrochemical
9 equipment valued under this section. The value of the equipment is not
10 included in the calculation of that minimum valuation limitation for the
11 taxpayer's other assessable depreciable personal property in the taxing
12 district.

13 (f) An election to value special integrated steel mill or oil
14 refinery/petrochemical equipment under this section:

15 (1) must be made by reporting the equipment under this section on
16 a business personal property tax return;

17 (2) applies to all of the taxpayer's special integrated steel mill or oil
18 refinery/petrochemical equipment located in the state (whether
19 owned or leased, or used as an integrated part of the equipment);
20 and

21 (3) is binding on the taxpayer for the assessment date for which
22 the election is made.

23 **However, a taxpayer subject to subsection (h) may claim**
24 **depreciation and obsolescence, including abnormal obsolescence,**
25 **in the taxpayer's original or amended return as if the taxpayer did**
26 **not make an election under subsection (b), notwithstanding any**
27 **other law.** The department of local government finance shall prescribe
28 the forms to make the election beginning with the March 1, 2003,
29 assessment date. Any special integrated steel mill or oil
30 refinery/petrochemical equipment acquired by a taxpayer that has made
31 an election under this section is valued under this section.

32 (g) If fifty percent (50%) or more of the adjusted cost of a
33 taxpayer's property that would, notwithstanding this section, be
34 reported in a pool other than Pool No. 5 is attributable to special
35 integrated steel mill or oil refinery/petrochemical equipment, the
36 taxpayer may elect to calculate the true tax value of all of that property
37 as special integrated steel mill or oil refinery/petrochemical equipment.
38 The true tax value of property for which an election is made under this
39 subsection is calculated under subsections (b) through (f).

40 **(h) This subsection applies beginning with the March 1, 2005,**
41 **assessment date. A taxpayer may not make an election under**
42 **subsection (b) if the taxpayer displaces jobs involving production**
43 **or manufacturing at or related to the special integrated steel mill**
44 **or oil refinery/petrochemical equipment from Indiana to another**
45 **country during the calendar year immediately preceding the**

assessment date for which the election would be made. If a taxpayer makes an election under subsection (b) and displaces jobs involving production or manufacturing at or related to the special integrated steel mill or oil refinery/petrochemical equipment from Indiana to another country while the election is in effect, the election is invalid for the assessment date for which the election is made.

(i) Subsection (h) does not apply to a taxpayer that is a party, or that has employees in Indiana who are a party, to a collective bargaining agreement unless:

(1) the enforcement provisions of the collective bargaining agreement prohibit the displacement of jobs from Indiana to another country; and

(2) it is determined under the collective bargaining agreement that the displacement of jobs from Indiana to another country occurred contrary to the enforcement provisions of the collective bargaining agreement.

If it is determined under a collective bargaining agreement that a taxpayer has displaced jobs from Indiana to another country in a calendar year after the calendar year in which the taxpayer makes an election under subsection (b), the election is invalid under subsection (h) for the calendar year in which the election was made.

(j) This subsection applies to a taxpayer that is not a party, or that has employees in Indiana who are not a party, to a collective bargaining agreement. A township assessor, county assessor, or county property tax assessment board of appeals may not deny a taxpayer's election under (b). The department of local government finance shall determine whether a taxpayer qualifies for an election under subsection (b) not later than March 30 of the year in which the election is made. If a final determination under this subsection is not made by March 30, the taxpayer make the election under subsection (b). The department of local government finance shall give notice by mail, and an opportunity for a hearing at least ten (10) days after notice is mailed, to a taxpayer whose eligibility is to be reviewed under this subsection. The notice to the taxpayer shall contain sufficient information to support the reasons for the disallowance of the election. A taxpayer may appeal the department of local government finance's determination by filing a petition with the Indiana board not more than forty-five (45) days after the department gives the taxpayer notice of the final determination."

Page 2, line 32, delete "creditor's" and insert "creditor's".

- 1 Page 2, line 36, delete "creditor's" and insert "**creditor's**".
2 Page 2, line 39, delete "creditor's" and insert "**creditor's**".
3 Page 3, line 1, delete "creditor's" and insert "**creditor's**".
4 Page 3, line 5, delete "creditor's" and insert "**creditor's**".
5 Page 3, after line 16, begin a new paragraph and insert:
6 "SECTION 3. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-3-23, as**
7 **amended by this act, applies:**
8 **(1) beginning with the March 1, 2005, assessment date; and**
9 **(2) to property taxes first due and payable after December**
10 **31, 2005.**
11 SECTION 4. **An emergency is declared for this act."**
12 Renumber all SECTIONS consecutively.
(Reference is to ESB 226 as printed February 13, 2004.)

Representative Aguilera